

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	29,649	0.2	11.4
Nifty-50	9,160	0.1	11.9
Nifty-M 100	16,902	0.0	17.8
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,378	-0.1	6.2
Nasdaq	5,901	0.0	9.6
FTSE 100	7,425	0.1	3.9
DAX	12,095	0.1	5.3
Hang Seng	10,514	-0.1	11.9
Nikkei 225	19,522	-0.3	2.1
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	51	0.0	-7.6
Gold (\$/OZ)	1,229	0.4	6.0
Cu (US\$/MT)	5,917	0.4	7.1
Almn (US\$/MT)	1,902	0.8	11.6
Currency	Close	Chg. %	YTD.%
USD/INR	65.5	0.0	-3.5
USD/EUR	1.1	0.4	2.1
USD/JPY	113.3	-0.1	-3.2
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.9	0.0	0.3
10 Yrs AAA Corp	8.1	0.0	0.5
Flows (USD b)	17-Mar	MTD	YTD
FII	0.2	2.7	4.2
DII	-0.1	-1.0	-0.2
Volumes (INRb)	17-Mar	MTD*	YTD*
Cash	365	278	259
F&O	3,023	4,195	4,363

Note: YTD is calendar year, *Avg

Quote of the day

Successful people save in prosperous times so they have a financial cushion in times of recession.



Today's top research idea

Ajanta Pharma (Initiating Coverage): Promising growth trajectory

Key drivers intact for superior growth, despite aberration in short term

- ✓ We believe that AJP has enough levers to drive overall growth in sales as well as profitability, largely led by US and domestic formulation. It has about 14 ANDAs pending for approval. AJP intends to file 12-15 ANDAs FY18 onwards.
- ✓ Management has guided for average of USD2-3m of revenue per ANDA post approval. Therapy-specific strategy would drive growth in domestic formulations. We expect revenue growth to bottom out in FY18 and see good improvement FY19 onwards. We expect EBITDA margin to remain stable as marginal contraction in EBITDA margin of Africa business would be offset by addition of higher margin US business.
- ✓ We value AJP at a premium compared to peers in mid-cap pharma space, at 25x FY19 earnings to arrive at price target of Rs2,028, implying upside of 15% from current levels.



Research covered

Cos/Sector	Key Highlights
Ajanta Pharma (Initiating Coverage)	Promising growth trajectory
EcoKnowledge	Only two states implement 7th Pay Commission in FY18
Logistic	Revival in rail container volumes likely



Piping hot news

FinMin okays capital infusion for 10 public sector banks

- ✓ Coming to the support of weak and non-performing public sector banks (PSBs), the Finance Ministry has chalked out a turnaround-linked Rs. 8,586-crore capital infusion plan for 10 PSBs.



Chart of the Day: We expect AJP to continue to outperform industry



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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on numbers for the detailed news link

1

Domestic air traffic grows 15.7% in February

Domestic air traffic rose 15.7 per cent in February, ending thirteen months of 20 per cent plus growth. Domestic airlines flew 8.6 million people last month compared to 7.4 million in February 2016, a leap year...

2

Unilever prepares sale of food brands worth £6-bn

Unilever is preparing a £6 billion (\$7.44 billion) sale of some of its food brands, British newspapers reported on Saturday. The Anglo-Dutch company is planning to sell Flora margarine and Stork butter brands, the Sunday Times said. The Sunday Telegraph, which also cited a 6 billion pounds figure, cited sources as saying private equity firms Bain Capital, CVC and Clayton Dubilier and Rice have started working on offers for the "spreads" business, citing sources. Unilever did not immediately respond to a Reuters request for comment...

3

Adani Group aims to start mining Australian coal in 2020

The Adani Group plans to begin extracting coal from the \$16.5-billion Carmichael project in Australia in 2020 after environmental protests had delayed the first phase of the mine. The company will begin work on the project three months after it gets final approval from Australia's...

4

AC makers betting on consumers' shift to inverter models

In line with the global trends, air-conditioner makers are betting big on the Indian market beginning its shift towards inverter air-conditioners from regular or the fixed speed ACs. With the new energy efficiency ISEER rating set to kick-in from next year...

5

Narendra Modi government eyes Rs 50,000 cr from funds via toll-operate-transfer mode for NHAI

In a move that could fetch the government upwards of R50,000 crore, a host of pension funds, sovereign funds and private equity funds may invest in the 75 road projects to be bid out in the toll-operate-transfer (TOT) mode. Players such as Macquarie, Abu Dhabi Investment Authority, Canada Pension Fund, Brookfield Asset Management, and IDFC Alternatives in India are understood to have shown keen interest in these projects...

6

Ashok Leyland plans to set up a facility in Jharkhand

Commercial vehicle major Ashok Leyland Ltd (ALL) is planning to set up a new facility in Jharkhand. This will be the first investment from a major automobile company in the state, which has identified the sector as one of the key drivers to make it one of the industrial hubs in the country...

7

Daiichi's Ranbaxy Profits Outweigh Losses: Singhs

Former Ranbaxy promoters Malvinder and Shivinder Singh are hitting back at Daiichi Sankyo in the Japanese drug maker's case to recover from them as part of an arbitration award. The brothers claim that Daiichi has made profits that far outweigh the losses it incurred by purchasing a majority shareholding in Ranbaxy...



Ajanta Pharma

BSE Sensex
29,586

S&P CNX
9,154

CMP: INR1,760 TP: INR2,028 (+15%)

Buy



Stock Info

Bloomberg	AJP IN
Equity Shares (m)	88.5
52-Week Range (INR)	2,150/1,312
1, 6, 12 Rel. Per (%)	-6/-13/5
M.Cap. (INR b)	154
M.Cap. (USD b)	2.3
Avg. Val, INR m	179.0
Free float (%)	24.0

Financial Snapshot (INR b)

Y/E March	2017E	2018E	2019E
Sales	20.1	22.6	27.5
EBITDA	6.8	7.7	9.4
NP	5.0	5.6	7.0
EPS (INR)	56.0	63.8	79.6
EPS Gr. (%)	18.9	13.8	24.9
BV/Sh. (INR)	179.5	233.0	299.9
P/E (x)	30.6	26.9	21.5
P/BV (x)	9.6	7.4	5.7
EV/EBITDA (x)	22.2	19.4	15.6
EV/Sales (x)	7.5	6.6	5.3
RoE (%)	35.9	30.9	29.9
RoCE (%)	33.9	29.6	28.9

Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	73.8	73.8	73.8
DII	2.0	2.3	4.0
FII	10.4	10.2	6.8
Others	13.8	13.7	15.4

FII Includes depository receipts

Ajanta Pharma

Key drivers intact for superior growth



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[Please click here for Video Link](#)

Promising growth trajectory

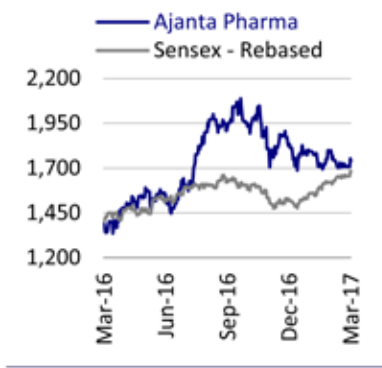
Key drivers intact for superior growth, despite aberration in short term

- n Ajanta Pharma (AJP) is a specialty pharmaceuticals company engaged in the development, manufacture and marketing of finished dosages. It started with repackaging of products in 1973, and moved from OTC products to prescription-based products for the Indian market. It has established itself as a strong specialty player in the domestic market in Ophthalmology, Dermatology and Cardiology. In addition, it has strong presence in the international markets of Africa and Asia, and continues to build a strong foundation for the US market.
- n We expect AJP to be on a high-growth path in the US market, led by a healthy product pipeline and annual filings of ~12-15 ANDAs over next 2-3 years, subject to subsequent approvals. From INR40m in FY15, US revenues are expected to reach INR1.9b by FY17.
- n Over FY11-16, AJP delivered a phenomenal 30% CAGR in domestic formulations sales, as against industry CAGR of 14-15%. We believe that AJP's good pace of product launches, leading position in some products and improving MR efficiency should help it to outperform, despite industry growth lowering to 11-12%.
- n AJP has made good strides in the Africa and Asia markets, is one of the leading companies in the anti-malaria business in East Africa, and has outperformed industry growth in branded generics in the Franco Africa and Asia regions. Although a brief pause is expected over the near term, we believe the long-term drivers remain intact to support sustainable growth.
- n We expect AJP to deliver an 18% CAGR in sales and a 19% CAGR in earnings over FY17-20E, led by a 46% CAGR in US sales and a 20.4% CAGR in domestic formulations sales.
- n We value AJP at a premium compared to P/E multiple of 20-21x for mid-cap pharma companies, at 25x FY19E earnings, on the back of its proven superior track record in terms of revenue growth and profitability. We also note that peers with a higher exposure to the US market are facing pricing pressure in the base business, with some also facing regulatory headwinds. AJP has a very low US base business and minimal regulatory risks over the medium term. We thus initiate coverage on AJP with a Buy rating and a target price of INR2,028.

US business to be the driving force behind overall growth

- n With product filings, manufacturing capacity and front end in place, we expect AJP to perform strongly in the US. It has cumulative ANDA filings of 32, with 14 of these awaiting approvals (including two para IV filings).
- n Around 12-15 ANDAs are anticipated to be filed from FY18 on annualized basis. Given the reduction in the time required for approvals and the company's aggressive filings, we expect reasonable growth in US sales over next 3-4 years, subject to final approvals.

Stock Performance (1-year)



n We expect US sales CAGR FY17-20E of 46% to USD90m. Based on management’s guidance, we have factored in average revenue of USD2-3m per ANDA per annum. Given AJP’s performance in products like g-Zegerid and g-Abilify, there could be potential for garnering more than USD5-8m per ANDA in some products, which would further drive revenue growth.

Therapy-specific strategy to drive growth in domestic formulations

n AJP witnessed strong growth in the domestic formulations business, with a focus on Ophthalmology, Cardiology and Dermatology. The company has launched 130+ products, which are first to market in the domestic formulations space. Aggressive launches and improving MR productivity had led to superior growth for AJP until FY15. However, product-specific issues moderated growth in FY16.

n With smoothening of the base effect, we expect AJP to deliver 20.4% CAGR over FY16-20E. A healthy launch pipeline and increased prescription share in Ophthalmology, superior growth of base molecules in Cardiology, shift in market share mix from cosmetology to prescription-based treatment in Dermatology, and new product launches in the pain segment are likely to drive overall domestic formulations revenue growth for AJP over next 2-3 years.

We expect moderate growth in Africa and Asia

n After exhibiting robust growth in the anti-malaria business in Africa (partly on the back of loss of business by one competitor), we expect the base effect to kick in. Also, with a marginal increase in funding to procure anti-malaria drugs, we expect modest growth in anti-malaria sales over the medium term.

n Currency headwinds impacted the branded generics business in Anglo Africa and Asia. However, we expect a gradual recovery in these businesses.

Valuation

n In our view, the long-term growth is intact with a good revival expected from FY19, led by strong growth in US, better-than-industry growth in domestic formulations, and gradual revival in branded generics in Asia and Africa.

n AJP has enough levers in place to drive earnings growth over next 4-5 years. It has a proven superior track record in terms of revenue growth and profitability. We note that peers with higher exposure to the US market are facing pricing pressure in the base business; some peers are also facing regulatory headwinds. AJP has low US base business and minimal regulatory risks over the medium term. Also, after the 18.5% correction in the stock price since September 2016, we believe AJP offers an attractive investment opportunity. Consequently, we initiate coverage on AJP with a Buy rating and a target price of INR2,028.

Risks

n Delay in ANDA approvals would result in slower growth in the US business, impacting overall revenue growth. Lower-than-expected revenue from products post final approval in the US market would also impact overall revenue growth.

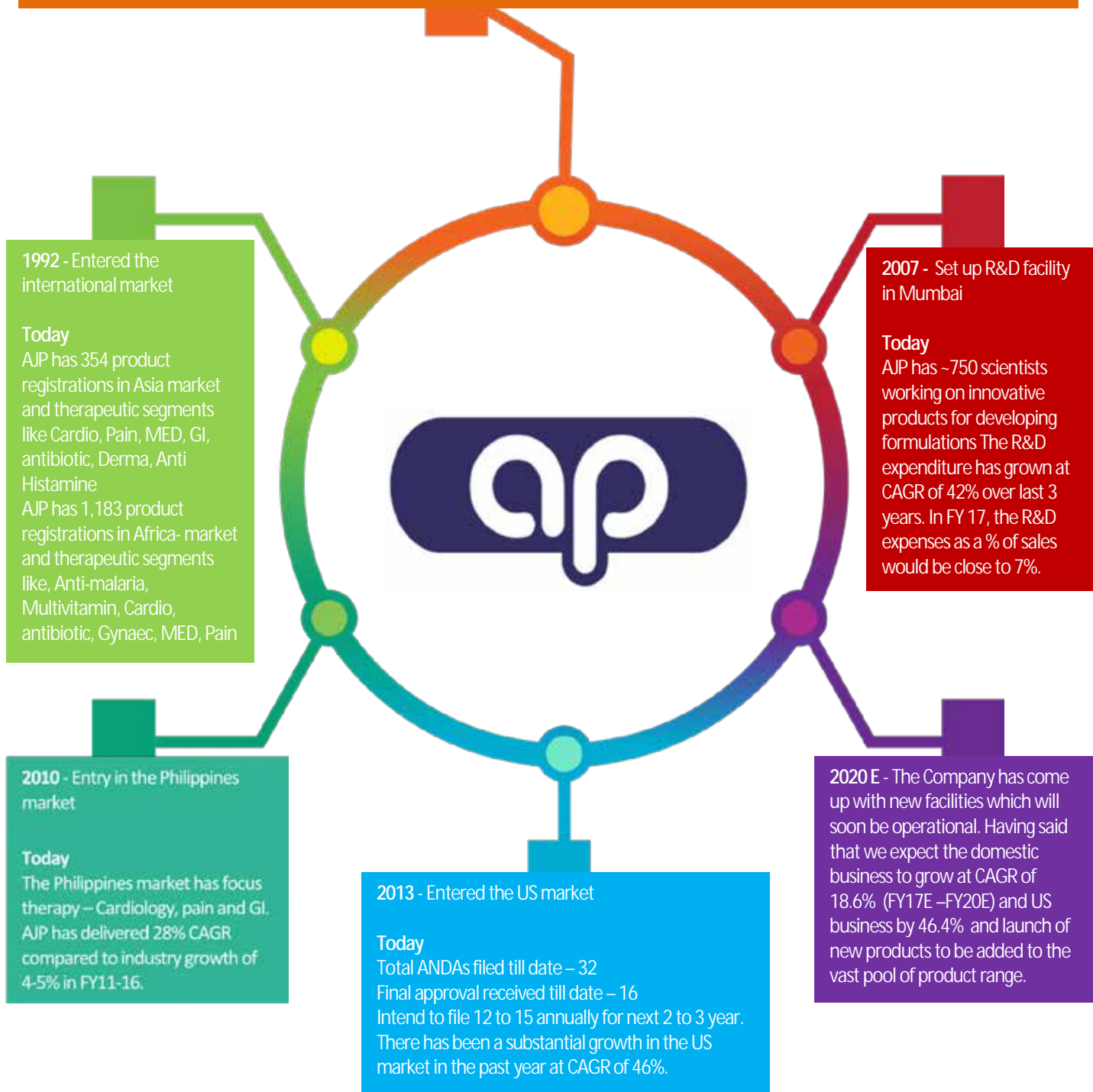
n Faster-than-expected re-entry of competitors in the anti-malaria business in Africa may lead to some market share loss.

n Delay in approvals from the DCGI/state governments for the domestic formulations business may affect the launch trajectory and thus sales.

n Late recovery in the economic environment may delay revival in the branded generics business in Asia.

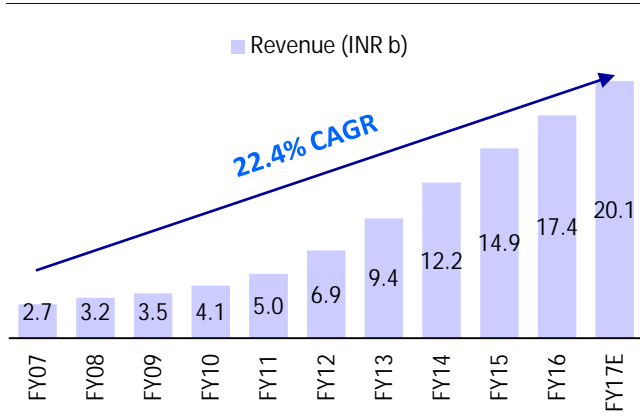
AJP business transformation till date

1979 - First manufacturing facility set up at Chikalthana.
 1983 - Facility set up in Paithan Aurangabad and has approvals from USFDA and WHO prequalification.
 1996 - Set up in Mauritius, Goodland to cater the African markets and has been compliant with WHO cGMP guidelines.
 2009 - Facility set up in Chitegaon to meet the requirements of Emerging markets.
 2009 - Facility set up in Waluj, Aurangabad. This facility is AJP's API facility mainly for captive consumption.
 2014 - Facility set up in Dahej, Gujarat. Specially constructed to cater requirements of USA, WHO and Emerging markets.
 2017 - Facility set up in Guwahati, Assam to cater to Indian and emerging markets.

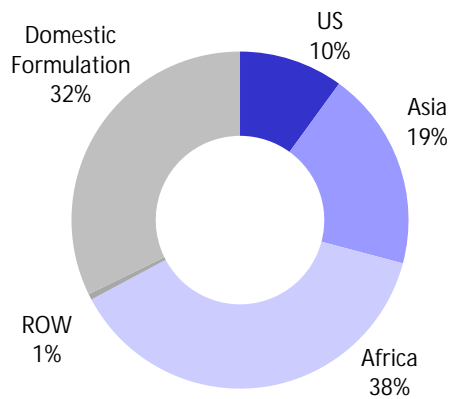


AJP story till date in charts

Exhibit 1: Robust revenue growth over FY07-17E

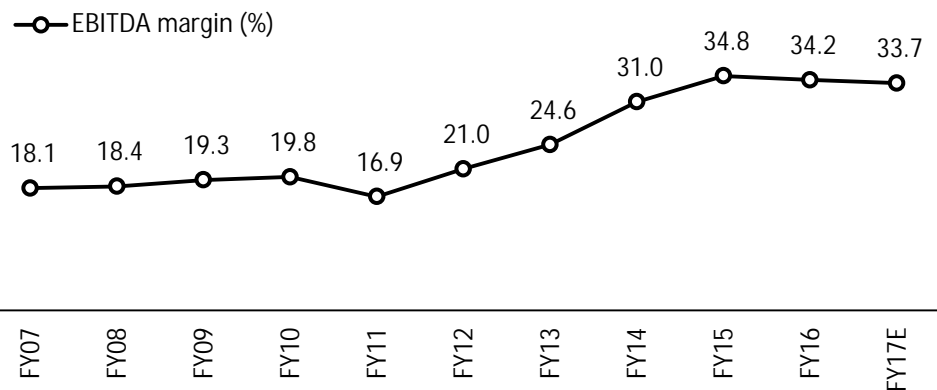


Revenue composition - FY17E



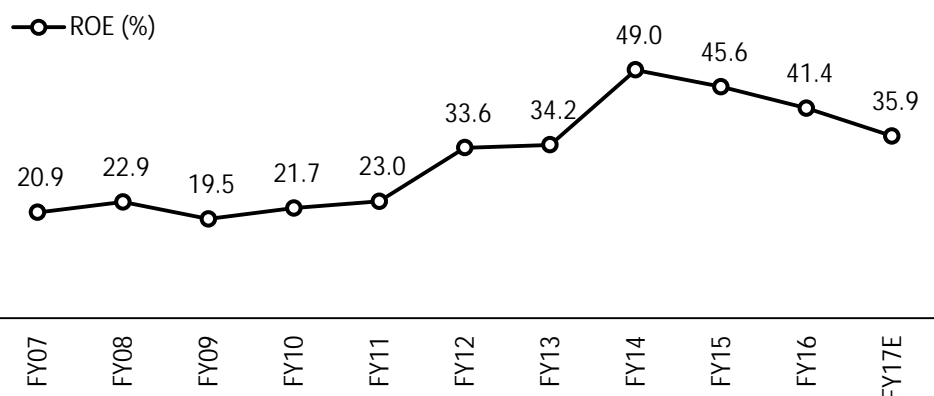
Source: MOSL, Company

Exhibit 2: 1,559bp increase in EBITDA margin over past 10 years



Source: MOSL, Company

Exhibit 3: Revenue growth, coupled with improved EBITDA margin, led to increase in RoE



Source: MOSL, Company



Only two states implement 7th Pay Commission in FY18

FY17 revised deficit, however, much higher than budgeted

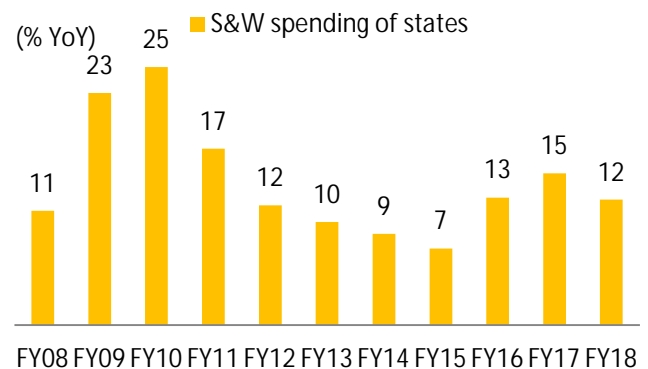
- Of the 15 major states that have presented their 2017-18 budget by now, only two (Madhya Pradesh and Rajasthan) have made provisions for the 7th Pay Commission (PC) in FY18. Six states have already implemented the 7th PC in 2016-17, while the rest are yet to do so.
- Not surprisingly, on an aggregate basis, spending on salary & wages (S&W) is budgeted to grow slower in FY18 (12%) than in FY17 (15%). Furthermore, budgeted spending growth is not very high from average growth over past three years (9.6%) and much lower than 23%-24% growth during the 5th and 6th PCs.
- Furthermore, we find that the 5th and 6th PCs boosted physical savings, not consumption. This time, however, with limited arrears and generally lower increase in salaries, a boost to (physical) savings is doubtful, let alone consumption.
- Finally, since many states have implemented the 7th PC in the current year, the fiscal deficit for FY17 as per the revised estimate (RE) is much higher than the budget estimate (BE). Nevertheless, with only two states making provisions for the 7th PC next year, the FY18 fiscal deficit for the states is likely to be in control.

“EcoKnowLedge” is Motilal Oswal’s new product in which we deep-dive into trending macro-economic themes. This new product complements our existing “Ecoscope” product, which is reserved for regular updates on macro-economics.

(as per budget estimate (BE)) versus growth of 9.6% in the previous three years (*Exhibit 1*). It is also important to note that this increase is much lower than 22.5% growth during the 5th PC in late 1990s and 24% during the 6th PC. Payout growth in the previous two PCs of the states was broadly in line with that in the Center’s PC.

About a year ago, there was too much excitement about the Pay Commission awards. Not only was the central government expected to implement 7th Central PC in 2016-17, but also most of the states were likely to follow suit in the following years. The central government employs about 5 million people (including defense forces), while the state governments combined have a workforce of about 10 million people. PC awards, therefore, are not only important for the government employees, but also for the economy due to the expected consumption pick-up. As expected, the Center implemented the 7th CPC in 2016-17 and the arrears were disbursed with the [August 2016 salary](#). However, what went almost unnoticed was that several states also implemented the PC in 2016-17 and revised the salaries of the state government employees. A look at the 2017-18 budgets of the 15 major states (accounting for ~65% of total state budgets) reveals that total S&W spending of these states grew 15% YoY in FY17 (as per revised estimate (RE)) and is budgeted to grow 12% YoY in FY18

Exhibit 1: S&W bill for states* over the past decade



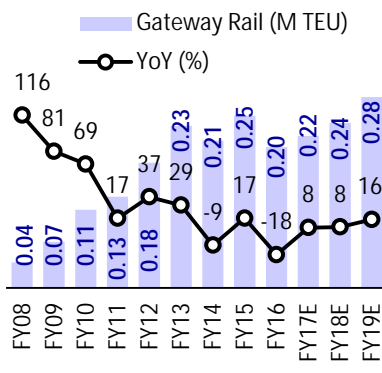
* For 15 major states, accounting for ~65% of total state budgets
Source: State budget documents, Reserve Bank of India (RBI), MoSL

“Total S&W spending of 15 states grew 15% YoY in FY17 (as per revised estimate (RE)) and budgeted to grow 12% YoY in FY18 (as per budget estimate (BE)) vs a growth of 10.2% in the previous 3 years”

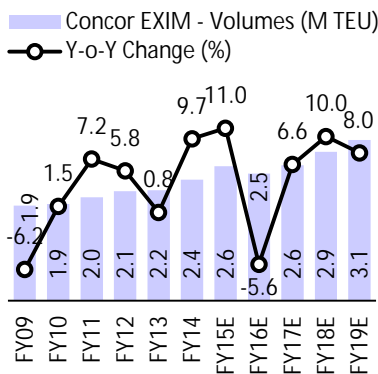


Logistic

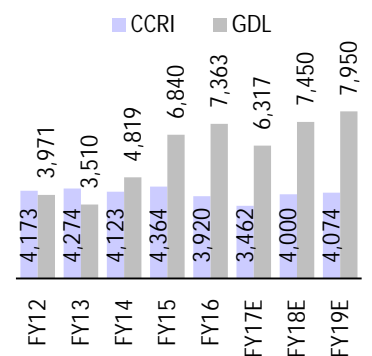
Gateway rail volume trend



Concor EXIM volume trend



EBITDA/TEU trend for Concor and GRFL



Revival in rail container volumes likely

Pricing environment improving

- n We expect a pick-up in container rail volumes over next 12-18 months, led by: 1) a revival in EXIM trade and 2) the rail sector becoming more competitive and thus taking market share from road sector.
- n Pricing in the rail sector has likely bottomed out, given easing competitive intensity. Against this backdrop, Container Corp (Concor) has initiated price hikes on the key routes of Kathuwas and Ludhiana with effect from 1 March 2017.
- n Margins of the rail logistics players are likely to improve due to better volume aggregation and cost-efficient measures adopted by players like Concor and Gateway Rail Freight Limited (GRFL).
- n We prefer Gateway Distriparks (GDPL) over (Concor) due to the former's better RoCE profile, led by efficient capital allocation and a superior revenue mix.

Rail container volume revival on the cards

- n Container rail volumes in tonnage terms have been sluggish for past 24 months, as the haulage hike taken toward end-FY15 led to market share loss for container train operators (CTOs). Weak EXIM trade (particularly exports) further impacted rail volumes for CTOs. We, however, expect a revival in container rail volumes over next 12-18 months, led by 1) a recovery in EXIM trade growth (a low base and a pick-up in exports) and 2) market share gains by the rail sector due to its improved competitiveness (no haulage hike over past 24 months and the subsequent increase in diesel prices).

Pricing environment improving led by reduced competitive intensity

- n Pricing was under pressure over last 12 months as the commencement of new terminals at Kathuwas and Ludhiana led to intensified competition among CTOs. However, we do not anticipate the major terminals to add capacity in the north region over next 12-18 months. Against the backdrop of easing competitive intensity, Concor initiated a price increase in the Kathuwas and Ludhiana sectors from 1 March 2017.

Margins bottoming out

- n Margins have been under pressure over past 24 months due to the subdued pricing environment, as well as higher empty running charges led by trade imbalance. With pricing improvement in the rail logistics space, GDPL commencing the Virmagam terminal and higher double-stacking for Concor, we expect margins for both Concor and GRFL to recover from the current levels.

Prefer GDPL over Concor

- n We prefer GDPL over Concor as the expected RoCE profile of the rail segment of GRFL (12.6% in FY19E) is superior to that of Concor (10.2%) due to the former's better capital allocation and favorable revenue mix. Although Concor could outscore GRFL once the Dedicated Freight Corridor Corporation (DFCC) gets commissioned, we strongly believe the event will only play out post FY20. Also, we do not expect the recent issue of direct port delivery at JNPT to be a major threat for GDPL's earnings as JNPT CFS contributes only ~20% of its overall EBITDA.

Valuation and view

- n At CMP, GDPL trades at 23x/19x on FY18/FY19E earnings (adjusted for 49% stake of Blackstone in rail), which we believe is attractive, given ~520bp RoE improvement over FY16-19E. We arrive at a TP of INR318 (upside of 26%) for GDPL, valuing its CFS business at 12x FY19E earnings and its 40% stake in Snowman at a 50% discount to market value. We, however, value GDPL's rail segment at 15x FY19 EV/EBITDA (at par with valuation of Concor), despite Concor being the market leader by a huge margin, as GRFL (a GDPL subsidiary) has (1) sustainable RoCE profile/return ratios compared to Concor, (2) a better margin profile due to higher proportion of double-stacking and route optimization based on profitability, and (3) higher volume growth trajectory than Concor. Maintain **Buy** on GDPL.
- n At CMP, Concor trades at 25x FY19E earnings and 15x FY19 EV/EBITDA, which we believe is expensive, given the deteriorating return ratios due to incremental capex. On DFC-based valuation (WACC: 12.3%, TGR: 4.5%), we arrive at a fair value of INR1,309/share. Given rich valuations, poor return ratios and limited upside to our fair value, we maintain **Neutral** on Concor.

Revival of rail container volumes on the cards

- n After growing 18% YoY in FY15, container rail volumes in tonnage terms declined 3% YoY in FY16 and increased by ~2% YoY from April 2016 to January 2017. While the volume decline in FY16 can be ascribed to the sharp haulage hike of ~25% toward end-FY15 (which resulted in market share loss to the road segment), the muted growth performance in FY17 was on account of weak EXIM trade. We see a high probability of container rail volumes reviving over next 12-18 months, led by: 1) recovery in EXIM trade growth (due to a low base and a pick-up in exports), 2) market share gain by rail from road led by its improved competitiveness (no haulage hike over last 24 months and subsequent increase in diesel prices) and 3) commencement of JNPT's fourth terminal toward end-FY18 (which should support EXIM trade pick-up). While volume growth at GDPL is likely to be led by the ramp-up of its terminal in Faridabad, we believe that of Concor should be supported by the ramp-up of its six operational multi modal logistics parks (MMLPs) and another nine MMLPs that are likely to be operational over next 12 months. Concor has also gained market share by ~200bp over last 2-3 quarters led by the ramp-up of its new MMLPs.



1. SAIL: China shutting down steel capacities is an opportunity for Indian steelmakers; SK Roongta, Former CMD

- n China shutting down steel capacities is certainly an opportunity for Indian steelmakers and for global steel in general; in 2015-2016 China had exported huge quantities of steel and that impacted the global prices quite a bit.
- n Steel production cut eases the pressure on Chinese mills to go for aggressive exports and that helps in stabilising the world prices.
- n Domestic steel demand has grown at about 3-4% this year but steel production in India has grown at about 9% on the strength of lower imports and higher steel exports.
- n This demand scenario may continue for some more months but with the economy expected to pick up especially manufacturing and infrastructure sector, we are more confident about higher domestic demand growth in FY18.
- n Steel prices in India are primarily aligned to the global steel prices so even if the demand goes up in India that does not mean that domestic prices will go up.

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2. IOC: We have a Rs 2 lakh Cr Capex plan; AK Sharma, Director - Finance

- n Got the cabinet approval for dilution of our stake by 24% in Lubrizol, 50-50 joint venture between IOC and Lubrizol Corp., USA; had access to the lubricant additive technology of Lubrizol through this JV.
- n Our technology which is developed by our R&D team, will also be made available to the joint venture on which we will earn the royalty.
- n Have made more than Rs 200 crore on the sale of our stake in the JV, which was formed in 2000 for an investment of Rs 119 crore. The one-time other income would show in the next quarter.
- n Have been investing approx. Rs 15,000 crore annually on our capex for the past 3-4 years, the total capex this year should be Rs 20,000 crore.
- n Will spend Rs 2 lakh crore on capex over 5-7 years' time. This is very much doable with the current pace of investing.

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3. Manpasand Beverages: We will get Rs 200-250 additional revenues; Abhishek Singh, Director

- n The new plant will have a capacity of around 50000 cases per day and as per our plan the plant will be completed in the next 12-18 months. Expecting additional revenue of Rs 250-300 crore from this plant.
- n The plant is nearer to our raw material and we will be saving a lot in our logistic costs as far as procurement of raw material is there.
- n Double-digit growth is going to continue for the next 10-20 years because we are consuming very less beverage as compared to China and Europe and all other countries and demonetisation has not really impacted Rs 5, Rs 10 products in entire India so I do not think that there will be any hit in the growth rate.

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1. Infosys needs to think big in technology. by Subir Roy

n The high decibel public warfare between the founders of Infosys and its board and management began over issues of governance and ended (for the time being at least) with a demand for share buyback and Infosys's apparent willingness to oblige. It is worth seeing if some insights can be gleaned by looking at the standoff as an accountant versus engineer/technologist clash. Who is best placed to lead a large firm — accountant, engineer or marketer? At the end of World War 2, Britain, Germany and Japan went different ways. Britain, which had built an empire on the strength of its industrial revolution, declined as an industrial power.

[→ Read More](#)

2. New lease of life for handloom sector. by Sandeep Varaganti

n India has always had a strong legacy of unique hand-crafted products. We find testaments to the skill and creativity of our artisans from the Indus Valley, as early as 5,000 years ago. Craft in India, evolved from the need to create articles for day-to-day household, religious and cultural use. Handcrafted products enjoyed a special place in palaces, temples and homes and enjoyed royal patronage. Over the centuries, while clinging to important traditions from the past, Indian craft is trying to adapt to changing global trends.

[→ Read More](#)

3. Narendra Modi Govt can surmount India's biggest challenge by reducing overall corporate tax rate by 2%. by TV Mohandas Pai

n The services sector is the fastest-growing sector in India, growing at 8.8%, and contributes the highest gross value-add and creates the most number of jobs. It contributes more than 60% of India's gross value-added growth. Despite the slow-down in the post crisis period (2010-14), India had the fastest service-sector growth, with a CAGR of 8.6%, followed by China (8.4%). Our tax laws incentivise automation, capital intensive and big industry at the cost of labour intensive and small scale industries which create more jobs.

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4. Time right for Urjit Patel led RBI to cut interest rates; here's why. by Anuj Agarwal and Prachi Priya

n Third quarter GDP data released by the CSO has fuelled scepticism, as growth witnessed only a marginal slowdown to 7.0% from 7.3% in H1FY17. What is surprising is the fact that fixed capital formation grew at 3.5% after three quarters of contraction despite demonetisation. The CSO has been quick to point out the caveats with respect to expenditure side data. Leaving aside the debate on the credibility of the data, there is much more to worry about. There is enough evidence to suggest that India's capex cycle is yet to recover.

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5. A step towards ending the era of easy money. by Livemint

Stocks and bonds rallied after the US Federal Reserve raised interest rates on Wednesday. This is in contrast to 2013, when just a hint that the US central bank would start reducing the quantum of its asset purchase sent financial markets all over the world into a tailspin. The Fed's latest decision to raise rates was perfectly coordinated as markets, until just a few weeks ago, were not expecting the central bank to act in March. But members of the rate-setting committee, including Fed chairperson Janet Yellen, clearly indicated in their recent public appearances that the US central bank was on course to raise rates in March itself.

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6. Heartlight in the heartland. by James Owen

Much of the commentary around the BJP's stunning victory in Uttar Pradesh has involved the prospect of Prime Minister Narendra Modi deploying his renewed political capital to improve India's business environment. But what does the win mean for UP itself? For all its political heft, the state remains an economic outlier, with a percapita income of ₹ 40,373 (\$620) a year, around half the national average. Indeed, the PM's tweet on March 11 - "When UP develops, India develops" - hinted at the untapped economic potential of India's most populous state. He also promised to transform Uttar Pradesh into 'Uttam Pradesh' - India's 'best state'.

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International

7. MR. TRUMP'S tear-down budget. by The New York Times

The White House budget director, Mick Mulvaney, defended the president's budget proposal for 2018 by saying it puts numbers on Mr. Trump's campaign promises. That it does, but in so doing, it shows that many of those promises simply cannot be kept. As he pledged, Mr. Trump would spend heavily on the military and border security — but only, as it turns out, by spending far less in areas like education and infrastructure that he had once deemed important. This is, of course, very much a political document, full of bluster and preposterous cuts that Mr. Trump must know that Congress, including many Republicans, will not accept.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Automobiles														
Amara Raja	Buy	877	1,087	24	29.2	37.7	45.4	30.0	23.2	5.9	4.9	21.6	23.1	22.9
Ashok Ley.	Buy	91	114	26	4.8	6.4	8.2	18.9	14.1	4.1	3.4	23.1	26.3	28.2
Bajaj Auto	Buy	2,914	3,432	18	136.2	160.6	182.3	21.4	18.1	6.0	5.3	30.0	31.0	30.9
Bharat Forge	Buy	1,035	1,110	7	25.7	37.5	46.7	40.3	27.6	6.1	5.3	15.9	20.6	22.0
Bosch	Neutral	22,731	22,049	-3	489.0	639.6	735.0	46.5	35.5	9.1	7.7	18.8	23.4	22.6
CEAT	Buy	1,267	1,406	11	89.9	107.6	140.6	14.1	11.8	2.2	1.9	16.4	16.9	18.9
Eicher Mot.	Buy	24,602	27,458	12	623.7	868.2	1,072.1	39.4	28.3	14.0	10.0	41.1	41.2	37.1
Endurance Tech.	Buy	700	732	5	24.2	30.2	36.6	28.9	23.2	5.6	4.6	21.2	21.8	22.1
Escorts	Buy	513	596	16	21.8	32.8	42.6	23.6	15.6	2.6	2.3	11.4	15.6	17.7
Exide Ind	Buy	219	233	7	8.2	9.7	11.8	26.5	22.6	3.8	3.4	14.2	14.9	15.9
Hero Moto	Neutral	3,345	3,190	-5	175.2	190.7	199.4	19.1	17.5	7.0	6.0	40.1	36.8	33.0
M&M	Buy	1,303	1,486	14	60.7	75.0	89.4	21.5	17.4	3.2	2.9	14.3	13.6	14.5
Mahindra CIE	Not Rated	211	-		6.2	9.7	11.9	34.2	21.8	2.4	2.1	7.7	10.3	11.3
Maruti Suzuki	Buy	6,189	6,808	10	252.7	313.1	379.5	24.5	19.8	5.7	4.7	22.8	23.2	23.2
Tata Motors	Buy	476	653	37	12.8	35.5	70.1	37.4	13.4	1.9	1.7	5.2	13.3	22.2
TVS Motor	Buy	442	462	4	11.9	15.4	21.9	37.2	28.7	9.0	7.2	26.4	27.9	31.4
Aggregate								27.6	18.9	4.1	3.6	15.0	18.9	22.0
Banks - Private														
Axis Bank	Neutral	517	535	3	14.1	25.0	46.8	36.8	20.7	2.2	2.1	6.3	10.3	17.3
DCB Bank	Neutral	163	134	-18	7.1	8.6	10.9	23.0	19.0	2.4	2.1	10.9	11.8	13.1
Equitas Hold.	Buy	166	240	44	6.1	6.9	8.7	27.4	23.9	2.5	2.2	11.3	9.9	11.1
Federal Bank	Buy	87	105	20	4.6	5.5	6.9	19.0	15.9	1.7	1.6	9.4	10.4	12.1
HDFC Bank	Buy	1,426	1,510	6	56.9	68.3	81.5	25.1	20.9	4.3	3.7	18.6	19.3	19.8
ICICI Bank	Buy	281	345	23	17.2	17.9	21.8	16.3	15.7	1.9	1.8	10.4	9.9	11.3
IDFC Bank	Neutral	62	68	10	3.1	3.9	4.9	20.3	15.7	1.5	1.4	7.4	8.9	10.2
IndusInd	Buy	1,385	1,535	11	48.4	58.7	71.2	28.6	23.6	4.2	3.6	15.5	16.4	17.2
J&K Bank	Neutral	75	75	0	-25.2	13.0	15.4	NM	5.8	0.7	0.6	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	848	940	11	26.3	32.3	41.3	32.3	26.3	4.1	3.6	13.5	14.5	16.0
RBL Bank	Buy	487	450	-8	12.4	17.5	24.6	39.1	27.8	4.3	3.8	12.6	14.4	17.7
South Indian	Neutral	21	21	2	2.8	3.1	3.8	7.4	6.6	0.7	0.6	9.7	10.0	11.3
Yes Bank	Buy	1,508	1,575	4	79.3	97.0	118.4	19.0	15.6	3.9	3.2	22.1	22.6	23.0
Aggregate								25.1	19.8	3.0	2.7	12.0	13.6	15.5
Banks - PSU														
BOB	Buy	165	221	34	7.5	18.3	25.3	21.9	9.0	1.1	1.0	5.0	11.5	14.4
BOI	Neutral	127	123	-3	-5.6	17.1	23.2	NM	7.4	0.5	0.5	-2.4	7.0	8.9
Canara	Neutral	292	300	3	23.9	36.7	56.0	12.2	8.0	0.6	0.6	4.9	7.2	10.3
IDBI Bk	Neutral	76	49	-35	1.5	6.4	8.6	49.6	11.8	0.7	0.7	1.4	5.8	7.3
Indian Bk	Buy	283	330	17	30.4	32.2	38.1	9.3	8.8	0.9	0.9	10.4	10.2	11.1
OBC	Neutral	128	114	-11	6.6	19.6	24.1	19.4	6.5	0.3	0.3	1.7	4.8	5.6
PNB	Buy	145	185	28	6.7	12.7	17.2	21.6	11.4	0.8	0.8	3.9	6.8	8.6
SBI	Buy	274	350	28	8.6	21.6	29.5	31.8	12.7	1.2	1.1	3.9	9.2	11.5
Union Bk	Neutral	154	172	12	8.5	30.5	45.3	18.2	5.0	0.5	0.5	2.8	9.7	13.0
Aggregate								27.2	10.8	0.9	0.9	3.3	7.9	10.1
NBFCs														
Bajaj Fin.	Buy	1,158	1,276	10	34.1	44.6	59.3	34.0	26.0	7.0	5.7	22.5	24.1	25.9
Bharat Fin.	Neutral	833	848	2	44.6	39.5	51.5	18.7	21.1	4.2	3.5	29.6	18.0	19.4
Dewan Hsg.	Buy	357	405	13	30.7	35.6	42.0	11.6	10.0	1.8	1.6	16.6	16.6	17.2
GRUH Fin.	Neutral	372	348	-6	7.9	9.8	11.7	47.3	37.8	13.4	11.1	31.0	32.1	31.6
HDFC	Buy	1,451	1,580	9	46.8	51.7	57.3	31.0	28.1	5.8	5.2	19.6	19.6	19.0
Indiabulls Hsg	Buy	965	1,015	5	69.5	86.2	109.6	13.9	11.2	3.4	3.0	26.0	28.9	32.3
LIC Hsg Fin	Buy	587	693	18	37.6	44.7	52.6	15.6	13.1	2.8	2.4	19.1	19.5	19.6
Manappuram	Not Rated	93	-		3.8	4.3	5.2	24.2	21.6	2.7	2.6	11.4	12.2	14.0
M&M Fin.	Buy	311	323	4	8.4	11.1	13.9	36.9	28.1	2.8	2.6	7.7	9.7	11.4
Muthoot Fin	Buy	350	409	17	29.7	34.7	40.5	11.7	10.1	2.2	1.9	19.8	20.3	20.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
PFC	Neutral	141	117	-17	24.0	25.5	40.5	5.9	5.5	1.0	0.8	16.8	16.2	22.3
Repco Home	Buy	708	752	6	29.0	34.2	40.5	24.4	20.7	4.0	3.4	17.5	17.5	17.7
REC	Neutral	168	134	-20	29.4	35.3	39.9	5.7	4.8	1.0	0.9	18.8	19.5	18.9
Shriram City Union	Buy	2,061	2,500	21	91.2	130.5	164.2	22.6	15.8	2.7	2.4	12.7	16.1	17.6
STF	Buy	1,055	1,225	16	58.1	77.9	96.7	18.2	13.6	2.1	1.9	12.3	14.7	16.1
Aggregate								17.0	14.6	2.9	2.6	17.2	17.7	18.9
Capital Goods														
ABB	Neutral	1,213	1,190	-2	18.4	26.1	32.6	65.9	46.5	7.8	6.7	11.9	14.4	15.9
Bharat Elec.	Buy	162	180	11	6.2	7.3	8.5	26.2	22.1	4.8	4.2	19.7	19.0	19.3
BHEL	Sell	168	115	-32	5.5	5.7	5.8	30.4	29.4	1.2	1.2	4.0	4.0	4.0
CG Cons. Elec.	Buy	194	205	6	4.6	5.5	6.7	42.6	35.6	32.3	21.9	94.3	73.3	66.1
CG Power & Indu.	Sell	73	45	-39	3.6	3.9	4.5	20.1	18.8	1.1	1.0	5.4	5.5	6.0
Cummins	Neutral	893	990	11	26.6	30.5	36.5	33.5	29.3	7.1	6.5	22.6	23.2	25.3
GE T&D	Neutral	313	340	9	6.0	11.0	11.4	52.1	28.4	6.2	5.6	11.7	20.7	19.2
Havells	Neutral	441	425	-4	8.9	12.1	14.1	49.4	36.6	10.0	9.0	20.3	24.6	25.1
Inox Wind	Neutral	182	175	-4	19.4	16.5	17.6	9.4	11.1	1.8	1.6	21.2	15.3	14.3
K E C Intl	Buy	172	175	2	10.5	12.3	13.5	16.4	14.0	2.5	2.2	16.6	16.8	16.2
L&T	Buy	1,551	1,660	7	53.6	65.0	79.7	28.9	23.9	3.0	2.8	10.9	12.2	13.6
Pennar Eng.	Not Rated	137	-		10.5	12.4	16.8	13.0	11.0	1.9	1.6	14.5	14.6	16.6
Siemens	Neutral	1,261	1,340	6	17.0	25.7	33.5	74.2	49.0	6.8	5.9	9.2	11.9	14.2
Solar Ind	Neutral	734	800	9	19.0	22.3	26.5	38.6	32.9	6.6	5.7	18.4	18.6	19.0
Suzlon Energy	Not Rated	19	-		0.2	0.6	0.7	86.9	33.7	-2.1	-2.2	NM	-6.7	-8.4
Thermax	Sell	907	781	-14	24.4	27.9	31.3	37.1	32.6	4.3	4.0	12.1	12.6	13.1
Va Tech Wab.	Buy	601	760	26	26.5	34.5	40.3	22.7	17.4	3.1	2.7	8.9	16.7	17.3
Voltas	Neutral	389	365	-6	13.1	15.9	18.8	29.6	24.4	4.8	4.2	17.1	18.2	18.8
Aggregate								33.3	27.6	3.6	3.3	10.8	11.9	12.9
Cement														
Ambuja Cem.	Buy	234	277	18	4.9	7.3	7.9	47.9	31.9	2.4	2.3	5.0	7.4	7.7
ACC	Neutral	1,410	1,339	-5	33.7	46.7	58.6	41.8	30.2	3.1	3.2	7.5	10.4	13.2
Birla Corp.	Buy	700	869	24	21.5	41.2	54.1	32.5	17.0	1.9	1.8	6.0	10.9	13.3
Dalmia Bharat	Buy	1,914	2,246	17	32.3	50.7	73.8	59.3	37.7	4.1	3.7	7.2	10.4	13.4
Grasim Inds.	Neutral	1,042	1,067	2	70.2	86.5	110.7	14.8	12.1	1.7	1.5	12.0	13.1	14.7
India Cem	Neutral	160	138	-14	7.3	10.7	12.4	21.9	15.0	1.3	1.2	5.8	7.6	7.8
J K Cements	Buy	888	1,024	15	32.6	37.2	49.3	27.2	23.9	3.4	3.1	13.3	13.6	16.0
JK Lakshmi Ce	Buy	425	455	7	5.9	12.2	17.8	71.7	34.7	3.7	3.6	5.2	10.5	14.7
Ramco Cem	Buy	635	815	28	29.0	31.9	40.1	21.9	19.9	4.1	3.5	20.3	18.9	20.0
Orient Cem	Buy	139	167	20	-1.8	3.2	5.8	NM	44.0	3.0	2.8	-3.7	6.6	11.3
Prism Cem	Buy	99	112	14	-0.6	2.6	4.8	NM	37.5	5.2	4.7	-3.1	13.1	20.8
Shree Cem	Buy	16,443	19,006	16	387.1	582.8	729.9	42.5	28.2	7.8	6.2	19.9	24.4	24.3
Ultratech	Buy	4,035	4,058	1	93.5	129.6	161.2	43.2	31.1	4.8	4.2	11.7	14.5	15.8
Aggregate								34.0	24.5	3.4	3.1	9.9	12.5	14.0
Consumer														
Asian Paints	Neutral	1,078	1,035	-4	20.2	22.9	26.8	53.2	47.0	16.3	14.2	32.5	32.3	32.5
Britannia	Buy	3,240	3,775	16	71.9	83.0	101.3	45.1	39.0	17.2	13.7	42.9	39.1	37.9
Colgate	Buy	989	1,115	13	21.7	25.8	31.6	45.6	38.4	23.9	22.3	54.9	60.1	68.5
Dabur	Neutral	278	300	8	7.3	8.3	9.7	38.1	33.5	9.9	8.5	28.3	27.3	27.2
Emami	Buy	1,055	1,260	19	24.5	29.8	36.0	43.1	35.4	12.7	10.8	33.8	33.0	33.2
Godrej Cons.	Neutral	1,681	1,655	-2	36.8	42.8	49.6	45.6	39.3	9.5	8.1	22.4	22.2	21.9
GSK Cons.	Neutral	5,533	5,300	-4	157.7	178.8	190.8	35.1	30.9	8.2	7.1	25.1	24.7	23.1
HUL	Neutral	902	865	-4	19.3	21.5	24.8	46.8	41.9	32.2	33.5	67.6	78.4	92.5
ITC	Buy	281	295	5	8.4	9.5	10.8	33.6	29.6	8.9	7.8	28.4	28.1	28.2
Jyothy Lab	Neutral	363	365	1	7.6	9.0	10.5	48.0	40.4	7.3	6.7	15.7	17.2	18.3
Marico	Buy	293	330	13	6.1	7.1	8.4	48.2	41.4	14.5	12.5	33.3	32.4	34.5
Nestle	Neutral	6,205	6,840	10	118.7	144.0	171.0	52.3	43.1	19.7	17.0	35.9	39.2	42.3

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Page Inds	Buy	14,641	16,910	16	235.6	305.1	388.4	62.1	48.0	25.7	20.2	41.3	42.2	43.2
Parag Milk	Neutral	219	215	-2	7.0	9.7	12.1	31.2	22.7	2.5	2.3	10.8	10.5	12.9
Pidilite Ind.	Neutral	701	720	3	16.6	18.3	20.5	42.2	38.4	10.9	8.8	28.0	25.4	23.4
P&G Hygiene	Buy	6,824	8,250	21	145.7	167.7	198.8	46.8	40.7	12.6	10.9	29.0	28.8	29.5
United Brew	Buy	778	1,044	34	10.7	15.4	19.8	72.9	50.6	8.7	7.6	12.6	16.0	17.8
United Spirits	Buy	2,202	2,885	31	28.6	47.0	64.0	76.9	46.9	14.5	11.2	20.8	24.0	24.9
Aggregate								41.7	36.1	12.3	10.7	29.5	29.8	30.3
Healthcare														
Alembic Phar	Neutral	605	630	4	23.2	27.9	35.1	26.1	21.7	5.9	4.9	24.8	24.7	25.3
Alkem Lab	Neutral	2,027	1,850	-9	79.3	85.7	100.0	25.5	23.6	5.7	4.8	24.4	22.0	21.7
Aurobindo	Buy	687	915	33	40.5	47.0	54.6	16.9	14.6	4.3	3.4	29.0	26.0	23.8
Biocon	Sell	1,119	750	-33	33.2	35.6	44.5	33.7	31.5	4.9	4.4	14.7	14.1	15.7
Cadila	Buy	444	510	15	12.0	17.7	23.0	37.0	25.1	7.4	6.1	21.4	26.5	27.9
Cipla	Neutral	596	550	-8	18.1	24.1	31.1	32.9	24.8	3.7	3.3	11.2	13.2	14.7
Divis Lab	Neutral	763	815	7	45.4	51.0	57.0	16.8	15.0	4.3	3.7	26.7	26.5	25.7
Dr Reddy's	Neutral	2,735	3,050	12	77.7	129.4	160.2	35.2	21.1	3.4	3.0	10.0	14.9	16.1
Fortis Health	Buy	183	240	31	3.0	3.2	6.5	61.9	57.4	2.0	1.7	3.4	3.3	6.0
Glenmark	Neutral	886	990	12	41.6	49.2	60.5	21.3	18.0	4.4	3.4	20.5	18.9	19.1
Granules	Buy	130	160	23	7.0	8.0	11.7	18.6	16.2	3.2	2.2	19.9	16.6	18.4
GSK Pharma	Neutral	2,756	2,700	-2	34.5	55.5	64.4	79.9	49.6	17.9	21.3	22.4	43.0	56.9
IPCA Labs	Neutral	549	540	-2	15.8	27.9	37.3	34.7	19.7	2.8	2.5	8.4	13.5	15.9
Lupin	Buy	1,454	1,850	27	61.8	79.0	89.3	23.5	18.4	4.9	4.0	22.9	23.9	22.1
Sanofi India	Buy	4,480	5,000	12	129.0	161.6	193.8	34.7	27.7	5.7	5.2	16.4	18.7	19.8
Sun Pharma	Buy	707	850	20	27.4	35.1	42.2	25.8	20.1	4.9	4.1	20.0	22.3	22.4
Syngene Intl	Not Rated	527	-		13.0	16.1	18.0	40.5	32.7	8.2	6.7	22.2	22.5	20.7
Torrent Pharma	Buy	1,448	1,700	17	56.8	76.3	93.4	25.5	19.0	6.1	5.1	26.0	29.2	29.6
Aggregate								26.8	20.9	4.8	4.0	17.7	19.1	19.4
Logistics														
Allcargo Logistics	Buy	169	191	13	9.5	11.1	12.5	17.9	15.3	2.4	2.2	12.0	14.9	15.0
Blue Dart	Not Rated	5,046	-		102.5	129.9	163.2	49.2	38.8	21.8	16.6	50.5	48.6	46.8
Concor	Neutral	1,242	1,309	5	36.0	45.8	50.0	34.5	27.1	2.9	2.7	8.6	10.3	10.6
Gateway Distriparks	Buy	255	314	23	8.8	15.7	20.1	29.1	16.2	2.2	2.0	7.6	12.9	15.3
Gati	Not Rated	138	-		8.4	15.9	23.9	16.6	8.7	2.3	2.0	12.4	19.4	25.4
Transport Corp.	Not Rated	230	-		16.9	21.0	25.9	13.6	10.9	2.1	1.8	16.7	17.8	18.6
Aggregate								31.1	23.5	3.4	3.1	11.0	13.3	14.3
Media														
Dish TV	Buy	106	115	9	1.7	3.2	4.8	63.0	33.7	20.2	12.6	38.2	46.1	44.7
D B Corp	Buy	383	450	18	21.1	23.9	27.4	18.2	16.0	4.6	4.1	27.0	27.1	27.5
Den Net.	Neutral	83	75	-10	-3.6	1.9	7.7	NM	45.1	1.0	0.9	-4.1	2.1	8.1
Hathway Cab.	Buy	38	47	24	-2.4	-0.8	0.4	NM	NM	2.9	3.1	-16.6	-6.1	3.3
Hind. Media	Buy	286	355	24	26.5	29.4	33.2	10.8	9.8	1.9	1.6	19.3	17.8	16.9
HT Media	Neutral	84	85	2	8.0	8.2	8.7	10.4	10.2	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	178	215	21	10.8	12.2	13.9	16.5	14.5	3.2	2.8	20.7	20.6	20.4
PVR	Buy	1,409	1,533	9	20.8	35.7	56.8	67.9	39.5	6.9	6.0	10.6	16.3	22.0
Siti Net.	Neutral	38	40	5	-0.9	2.7	1.2	NM	14.0	4.0	2.7	-10.2	23.5	11.2
Sun TV	Neutral	750	735	-2	25.1	29.7	34.5	29.9	25.2	7.5	6.9	25.1	27.3	29.0
Zee Ent.	Buy	519	600	16	12.2	17.6	20.9	42.5	29.5	10.0	8.1	31.3	30.3	29.3
Aggregate								35.5	25.6	6.2	5.3	17.3	20.6	21.7
Metals														
Hindalco	Buy	196	240	22	17.2	22.9	25.6	11.4	8.6	1.8	1.5	16.1	18.8	17.7
Hind. Zinc	Neutral	310	307	-1	19.8	28.2	29.5	15.7	11.0	3.1	2.5	20.9	25.2	22.0
JSPL	Buy	130	180	39	-23.9	-17.5	-2.2	NM	NM	0.3	0.3	-8.0	-4.5	-0.6
JSW Steel	Buy	192	226	18	13.6	19.0	19.4	14.1	10.1	2.2	1.8	16.4	19.6	17.1
Nalco	Buy	74	83	13	3.6	5.3	5.5	20.6	13.8	1.4	1.3	6.9	9.7	9.3

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
NMDC	Buy	139	179	29	12.2	12.3	12.9	11.4	11.3	1.8	1.7	13.5	15.6	15.0
SAIL	Sell	63	28	-56	-8.7	-14.2	-1.3	NM	NM	0.7	0.9	-9.6	-17.9	-1.8
Vedanta	Neutral	264	279	6	18.9	31.1	33.1	14.0	8.5	1.5	1.4	11.7	17.1	16.4
Tata Steel	Sell	502	401	-20	17.4	43.8	51.4	28.9	11.5	4.1	3.2	12.6	31.3	28.9
Aggregate								20.3	13.3	1.5	1.4	7.4	10.5	12.2
Oil & Gas														
BPCL	Buy	642	778	21	56.6	55.5	60.0	11.3	11.6	2.9	2.5	27.5	23.4	21.8
Cairn India	Neutral	295	-		14.0	12.5	12.8	21.1	23.6	1.1	1.1	5.3	4.6	4.6
GAIL	Neutral	375	335	-11	23.9	28.5	31.0	15.7	13.2	1.9	1.7	14.1	13.7	13.7
Gujarat St. Pet.	Neutral	161	163	1	8.8	11.0	13.2	18.2	14.5	2.1	1.9	12.0	13.5	14.5
HPCL	Buy	513	620	21	53.8	45.0	46.2	9.5	11.4	2.5	2.2	27.9	20.7	18.7
IOC	Buy	376	458	22	43.5	39.9	41.7	8.6	9.4	2.1	1.8	25.9	20.7	19.1
IGL	Neutral	1,043	1,032	-1	43.0	42.6	49.9	24.3	24.5	5.1	4.4	22.1	19.3	19.4
MRPL	Neutral	102	114	12	12.9	12.7	13.9	7.9	8.1	2.2	1.8	31.0	24.7	22.5
Oil India	Buy	336	382	14	27.5	39.0	39.8	12.2	8.6	1.1	1.1	9.5	12.7	12.1
ONGC	Neutral	190	204	7	12.6	21.1	21.0	15.1	9.0	1.3	1.3	8.7	14.4	14.2
PLNG	Buy	393	460	17	22.8	26.9	36.6	17.3	14.6	3.9	3.3	24.4	24.2	27.4
Reliance Ind.	Neutral	1,301	1,240	-5	100.2	115.1	122.7	13.0	11.3	1.4	1.3	11.7	12.1	11.7
Aggregate								12.8	11.1	1.7	1.5	13.2	13.9	13.5
Retail														
Jubilant Food	Neutral	1,104	1,008	-9	12.8	22.4	29.9	86.1	49.3	9.0	9.8	10.4	19.9	25.1
Shopper's Stop	Neutral	336	300	-11	4.1	8.0	12.6	82.1	41.9	3.3	3.0	4.2	7.7	11.0
Titan Co.	Neutral	462	420	-9	9.2	9.7	11.2	50.1	47.8	9.9	8.7	21.2	19.3	19.7
Aggregate								54.8	48.0	8.9	8.1	16.2	16.8	18.1
Technology														
Cyient	Buy	463	600	30	32.8	39.1	43.3	14.1	11.9	2.2	2.0	15.7	16.5	16.2
HCL Tech.	Buy	865	980	13	58.1	64.7	70.2	14.9	13.4	3.8	3.3	27.3	26.7	25.7
Hexaware	Neutral	223	220	-1	13.7	15.3	15.9	16.3	14.6	4.0	3.4	26.5	25.0	22.2
Infosys	Buy	1,040	1,250	20	62.8	67.8	74.4	16.6	15.3	3.4	3.1	23.2	22.5	22.3
KPIT Tech	Neutral	135	150	11	11.7	13.8	15.3	11.5	9.8	1.7	1.4	14.0	15.9	15.1
L&T Infotech	Buy	706	800	13	54.2	57.5	62.3	13.0	12.3	4.9	4.1	41.8	36.2	32.8
Mindtree	Neutral	474	530	12	25.1	33.7	38.1	18.8	14.0	3.1	2.8	17.1	21.0	21.1
Mphasis	Neutral	591	550	-7	42.6	41.4	45.0	13.9	14.3	2.1	2.0	14.1	14.4	14.8
NIIT Tech	Neutral	424	470	11	38.2	49.3	51.9	11.1	8.6	1.5	1.3	14.2	16.5	15.5
Persistent Sys	Neutral	634	730	15	38.9	46.2	52.6	16.3	13.7	2.6	2.5	17.5	18.9	20.6
Tata Elxsi	Buy	1,517	1,780	17	59.3	72.1	89.0	25.6	21.0	9.8	7.8	42.5	41.3	40.8
TCS	Neutral	2,527	2,550	1	135.6	146.5	159.2	18.6	17.2	5.9	6.0	33.9	33.4	33.3
Tech Mah	Buy	483	580	20	32.5	36.7	41.5	14.9	13.2	2.8	2.4	20.1	20.0	19.7
Wipro	Neutral	504	540	7	33.4	37.2	41.7	15.1	13.6	2.5	2.2	17.0	17.0	17.3
Zensar Tech	Buy	908	1,250	38	68.6	85.0	93.3	13.2	10.7	2.5	2.1	20.0	21.1	19.8
Aggregate								16.8	15.6	4.0	3.7	23.7	23.8	22.9
Telecom														
Bharti Airtel	Buy	347	410	18	11.3	7.7	11.8	30.7	45.3	2.0	1.9	6.7	4.3	6.4
Bharti Infratel	Buy	309	435	41	15.6	16.7	19.9	19.9	18.5	3.2	2.8	15.7	15.9	16.7
Idea Cellular	Under Review	108	-		-3.1	-12.5	-12.0	NM	NM	1.6	1.9	-4.4	-20.0	-23.7
Tata Comm	Buy	763	811	6	8.5	31.4	44.8	89.7	24.3	-96.6	32.4	-75.4	402.2	97.6
Aggregate								40.7	103.8	2.4	2.3	5.8	2.3	4.5
Utilities														
Coal India	Neutral	290	315	9	17.2	20.0	22.5	16.9	14.5	5.9	5.9	35.2	41.0	46.0
CESC	Buy	831	970	17	50.2	74.5	82.1	16.5	11.1	1.9	1.6	11.0	15.8	15.2
JSW Energy	Buy	64	81	26	3.7	3.0	1.2	17.4	21.4	1.2	1.2	7.0	5.6	2.2
NTPC	Buy	160	199	24	12.0	14.3	17.3	13.3	11.2	1.4	1.3	10.8	11.9	13.3
Power Grid	Buy	195	243	25	15.3	17.7	20.7	12.7	11.0	2.1	1.8	17.4	17.5	17.7
Aggregate								14.7	12.5	2.3	2.1	15.8	17.1	18.0



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Others														
Arvind	Buy	405	430	6	13.5	21.8	28.6	29.9	18.6	2.7	2.5	10.4	14.0	16.3
Bata India	Buy	530	483	-9	10.9	14.2	17.7	48.7	37.3	5.3	4.8	11.3	13.4	15.0
Castrol India	Buy	426	510	20	13.6	13.8	14.6	31.2	30.8	32.8	29.7	110.9	101.4	97.0
Century Ply.	Buy	241	211	-12	4.6	8.8	11.3	52.7	27.4	9.1	7.4	18.2	29.8	30.7
Coromandel Intl	Under Review	323	-		16.3	20.0	25.5	19.9	16.2	3.5	3.1	18.5	20.4	22.8
Dynamic Tech	Buy	2,850	3,388	19	67.6	112.9	166.7	42.2	25.2	5.8	4.7	15.1	20.7	24.3
Eveready Inds.	Buy	247	287	16	12.4	13.9	16.9	19.9	17.8	6.6	5.3	37.8	33.1	32.5
Interglobe	Neutral	922	1,010	10	39.3	54.1	72.2	23.5	17.1	16.1	14.1	72.8	88.1	101.2
Indo Count	Buy	186	205	11	13.7	17.1	20.6	13.6	10.8	3.9	2.8	33.8	30.2	26.8
Info Edge	Buy	837	1,075	28	16.9	19.0	21.9	49.4	44.0	5.3	4.9	11.1	11.5	12.3
Inox Leisure	Sell	250	207	-17	2.5	8.2	11.5	99.9	30.6	3.9	3.5	3.8	11.5	14.3
Jain Irrigation	Under Review	95	-		5.5	7.6	10.0	17.1	12.4	1.5	1.4	8.6	11.7	14.8
Just Dial	Buy	604	443	-27	17.2	18.5	22.1	35.2	32.7	5.4	4.8	16.5	15.5	16.2
Kaveri Seed	Neutral	532	577	9	23.4	28.6	36.1	22.7	18.6	3.8	3.6	17.3	19.8	22.9
Kitex Garm.	Buy	425	551	30	26.0	31.0	36.7	16.4	13.7	4.4	3.6	29.9	28.7	27.7
Manpasand	Buy	730	843	15	14.9	23.1	38.3	49.0	31.6	3.6	3.3	8.6	9.6	16.3
MCX	Buy	1,117	1,400	25	28.3	40.8	54.3	39.5	27.4	4.3	4.0	11.4	15.2	18.5
Monsanto	Under Review	2,521	-		72.9	89.3	109.3	34.6	28.2	10.5	9.8	30.4	35.9	39.6
PI Inds.	Buy	905	1,046	16	30.4	34.8	43.6	29.8	26.0	8.2	6.5	30.9	27.9	27.8
Piramal Enterp.	Buy	1,863	2,200	18	74.5	127.1	164.7	25.0	14.7	2.4	2.2	10.0	15.7	18.2
SRF	Buy	1,612	1,825	13	82.4	99.9	125.1	19.6	16.1	3.1	2.7	16.5	17.4	19.1
S H Kelkar	Buy	311	371	19	7.5	10.1	13.3	41.5	30.6	5.4	4.8	13.5	16.6	19.1
Symphony	Sell	1,450	1,053	-27	27.0	35.1	42.9	53.7	41.3	29.2	24.9	56.8	65.0	66.3
TTK Prestige	Neutral	5,901	5,326	-10	107.8	139.9	178.6	54.7	42.2	8.7	7.9	16.6	19.7	22.4
V-Guard	Neutral	175	125	-28	3.7	4.6	5.4	47.2	38.2	12.5	10.0	29.4	29.1	27.6
Wonderla	Buy	391	393	1	7.0	11.9	16.0	55.9	32.7	5.1	4.6	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-0.9	2.7	-2.8
Ashok Ley.	-1.2	-3.1	-4.6
Bajaj Auto	-0.8	4.8	28.4
Bharat Forge	-0.9	-2.4	25.4
Bosch	-0.7	3.6	24.9
CEAT	0.9	12.2	16.8
Eicher Mot.	0.4	-1.8	36.5
Endurance Tech.	-0.3	5.8	
Escorts	-1.0	25.7	288.7
Exide Ind	-1.5	4.1	62.1
Hero Moto	-0.1	8.4	18.6
M&M	-1.4	-1.0	8.7
Mahindra CIE	2.7	5.6	24.5
Maruti Suzuki	0.7	3.3	70.4
Tata Motors	-0.8	5.2	31.9
TVS Motor	1.0	4.0	56.3
Banks - Private			
Axis Bank	0.7	5.7	20.8
DCB Bank	-1.1	18.3	109.0
Equitas Hold.	-1.9	-9.3	
Federal Bank	-1.5	4.6	74.6
HDFC Bank	0.5	3.5	40.1
ICICI Bank	-1.3	-0.8	23.4
IDFC Bank	0.0	-1.7	37.9
IndusInd	0.6	3.6	52.3
J&K Bank	1.1	4.8	23.3
Kotak Mah. Bk	-0.4	6.5	30.1
RBL Bank	1.5	16.6	
South Indian	-0.2	2.5	30.2
Yes Bank	-1.4	4.7	88.7
Banks - PSU			
BOB	-2.0	-0.7	16.0
BOI	-1.2	1.9	33.9
Canara	-1.2	0.3	60.8
IDBI Bk	-1.1	-6.3	14.0
Indian Bk	1.9	-2.2	178.7
OBC	-1.0	6.1	44.4
PNB	-2.1	3.3	74.9
SBI	-1.7	2.0	47.2
Union Bk	-1.3	8.5	21.6
NBFCs			
Bajaj Fin.	0.0	6.4	75.9
Bharat Fin.	3.5	-4.0	60.1
Dewan Hsg.	-0.2	10.9	104.2
GRUH Fin.	1.6	-1.3	57.4
HDFC	0.1	3.5	30.7
Indiabulls Hsg	2.0	12.9	51.8
LIC Hsg Fin	-1.0	5.4	30.2
Manappuram	-1.5	-10.7	160.9
M&M Fin.	5.7	6.7	33.2
Muthoot Fin	0.2	0.6	97.3
PFC	3.2	8.1	66.6
Repco Home	1.3	7.4	22.4
REC	3.9	16.8	99.9
STF	0.5	12.3	15.9
Shriram City Union	0.0	8.3	36.3

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.4	-1.4	5.6
Bharat Elec.	-1.9	6.1	49.9
BHEL	-0.1	9.8	51.9
CG Cons. Elec.	-1.8	3.0	
CG Power & Inds Sol.	0.1	11.7	56.5
Cummins	0.6	0.4	5.9
GE T&D	1.7	5.4	-20.6
Havells	1.3	3.6	51.1
Inox Wind	0.2	6.0	-31.2
K E C Intl	-1.7	4.0	45.1
L&T	-1.1	4.9	29.9
Pennar Eng.	5.2	9.3	-4.7
Siemens	-0.1	4.0	22.9
Solar Ind	0.4	0.9	10.0
Suzlon Energy	3.3	11.5	41.6
Thermax	3.4	6.7	17.5
Va Tech Wab.	-3.1	15.6	16.8
Voltas	-0.3	12.2	54.5
Cement			
Ambuja Cem.	-0.5	-1.7	7.4
ACC	-0.8	-3.6	10.7
Birla Corp.	0.1	-0.1	89.7
Dalmia Bharat	0.7	1.0	166.9
Grasim Inds.	-0.7	0.1	43.8
India Cem	-2.1	-1.1	102.3
JK Cements	-0.9	2.9	48.2
JK Lakshmi Ce	-1.1	9.5	36.5
Ramco Cem	-1.3	-5.6	58.4
Orient Cem	0.8	4.0	-2.7
Prism Cem	0.0	6.5	28.0
Shree Cem	-0.1	7.6	41.3
Ultratech	-0.5	8.5	33.3
Consumer			
Asian Paints	-0.9	12.2	23.8
Britannia	0.6	-0.2	20.3
Colgate	1.1	8.7	18.4
Dabur	1.3	4.7	12.3
Emami	0.4	-1.4	12.1
Godrej Cons.	0.0	4.3	30.3
GSK Cons.	0.5	8.4	-6.2
HUL	-0.4	7.1	6.2
ITC	4.8	4.8	30.2
Jyothy Lab	-0.8	1.3	28.2
Marico	0.1	8.9	19.5
Nestle	1.1	-0.8	21.9
Page Inds	0.1	2.3	28.4
Parag Milk	0.2	3.7	
Pidilite Ind.	0.3	2.5	17.9
P&G Hygiene	-1.0	-2.2	11.0
United Brew	0.6	-1.6	-3.3
United Spirits	-0.7	-6.9	-12.8
Healthcare			
Alembic Phar	0.2	9.6	-0.8
Alkem Lab	3.8	1.2	49.6
Aurobindo	-0.1	3.3	-5.4
Biocon	-0.2	1.2	141.3

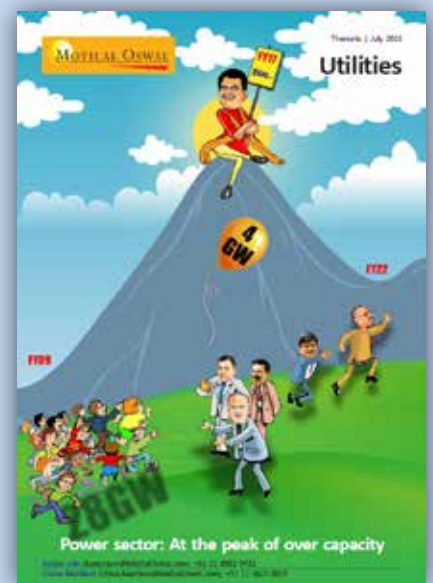
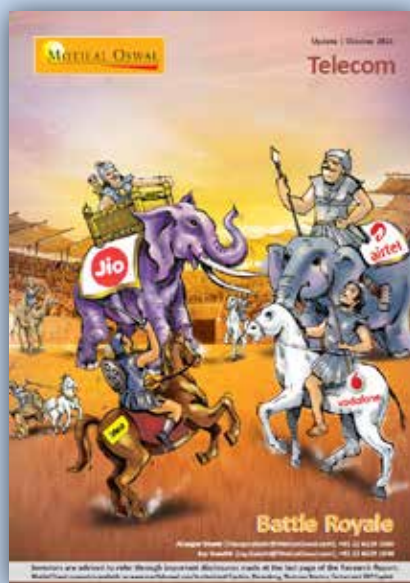
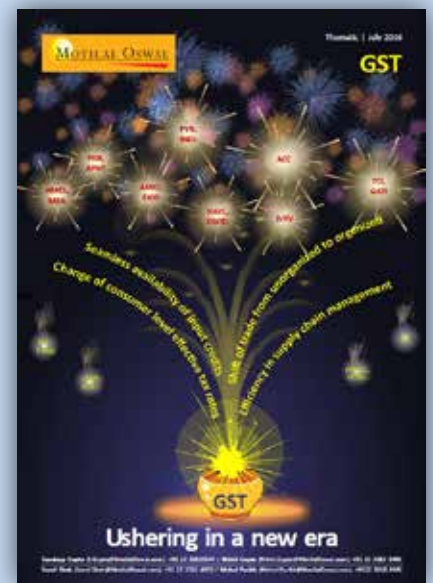
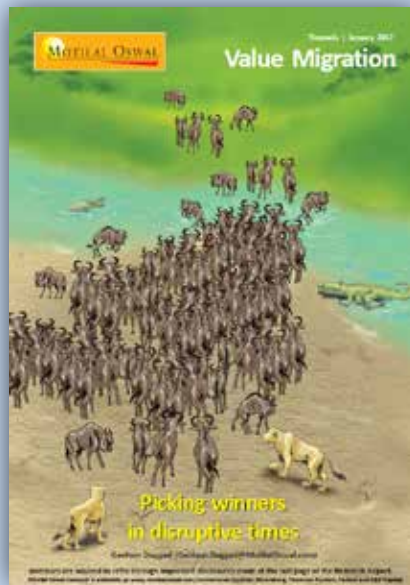


Company	1 Day (%)	1M (%)	12M (%)
Cadila	0.2	-0.9	31.8
Cipla	-0.7	0.6	13.7
Divis Lab	-1.1	2.0	-21.7
Dr Reddy's	-0.6	-6.2	-12.4
Fortis Health	-1.3	-6.4	2.0
Glenmark	-1.3	-6.4	9.3
Granules	-0.3	2.6	9.7
GSK Pharma	0.5	2.6	-17.7
IPCA Labs	-0.4	4.0	3.3
Lupin	-0.2	-0.3	-13.2
Sanofi India	1.1	9.1	7.5
Sun Pharma	-0.6	4.6	-14.7
Syngene Intl	0.7	2.2	35.0
Torrent Pharma	5.5	14.7	15.2
Logistics			
Allcargo Logistics	-0.5	2.9	7.3
Blue Dart	-0.6	19.7	-9.6
Concor	0.1	1.6	6.2
Gateway Distriparks	0.1	0.4	0.8
Gati	0.6	13.7	26.6
Transport Corp.	0.3	23.0	36.4
Media			
Dish TV	-1.2	21.0	29.6
D B Corp	0.2	1.5	20.5
Den Net.	1.8	2.5	-8.3
Hathway Cab.	-0.5	6.5	2.8
Hind. Media	-2.5	6.9	16.0
HT Media	0.8	1.4	5.2
Jagran Prak.	-2.5	-5.7	20.0
PVR	0.5	10.6	94.3
Siti Net.	0.4	-1.3	5.7
Sun TV	-1.7	6.7	105.6
Zee Ent.	-1.0	-0.3	34.5
Metals			
Hindalco	-1.2	6.8	142.1
Hind. Zinc	0.7	3.5	83.5
JSPL	1.5	39.8	120.6
JSW Steel	-0.2	3.7	59.6
Nalco	-1.9	14.7	85.1
NMDC	0.4	1.7	44.4
SAIL	-0.3	5.8	48.1
Vedanta	0.0	0.4	206.3
Tata Steel	0.6	7.3	69.7
Oil & Gas			
BPCL	-0.8	-5.6	48.7
Cairn India	0.2	2.7	93.3
GAIL	-0.9	-1.8	41.7
Gujarat St. Pet.	0.8	-2.0	23.7
HPCL	-1.3	-5.6	103.0
IOC	0.0	-2.2	88.5
IGL	1.3	0.6	100.2
MRPL	-1.1	-6.9	76.9
Oil India	-0.4	0.6	46.2
ONGC	-1.0	-2.2	34.1
PLNG	0.1	-1.9	59.0
Reliance Ind.	0.3	21.0	28.1
Retail			

Company	1 Day (%)	1M (%)	12M (%)
Jubilant Food	-0.8	11.3	-3.2
Shopper's Stop	-1.1	8.2	-3.0
Titan Co.	-0.6	7.3	36.1
Technology			
Cyient	-0.5	-1.3	10.3
HCL Tech.	1.2	3.2	6.2
Hexaware	0.2	5.1	-16.0
Infosys	1.1	4.0	-10.4
KPIT Tech	1.4	2.5	-4.5
L&T Infotech	0.0	2.3	
Mindtree	0.6	-0.2	-27.8
Mphasis	0.2	1.7	20.8
NIIT Tech	1.5	-0.5	-9.7
Persistent Sys	-0.1	0.8	-3.0
Tata Elxsi	4.9	4.0	-20.7
TCS	0.3	4.9	7.4
Tech Mah	0.3	-3.9	-0.6
Wipro	0.8	5.9	-6.4
Zensar Tech	-0.8	-2.7	6.3
Telecom			
Bharti Airtel	-3.7	-6.1	1.5
Bharti Infratel	-0.2	0.1	-16.5
Idea Cellular	-4.5	1.8	7.5
Tata Comm	-1.7	1.6	111.3
Utilites			
Coal India	-0.8	-8.5	-1.6
CESC	-1.0	-3.4	79.2
JSW Energy	-0.1	5.3	-6.5
NTPC	-0.6	-5.6	26.3
Power Grid	-0.4	-3.9	40.8
Others			
Arvind	-0.8	7.5	48.8
Bata India	-0.5	5.8	8.8
Castrol India	0.8	-1.6	14.7
Century Ply.	-0.5	5.6	47.2
Coromandel Intl	1.0	-5.3	88.5
Dynamatic Tech	0.2	-3.3	79.1
Eveready Inds.	-1.7	-0.5	2.2
Interglobe	3.4	11.5	14.5
Indo Count	-1.6	12.9	-1.0
Info Edge	-0.2	-0.1	7.7
Inox Leisure	0.3	3.4	26.2
Jain Irrigation	-0.3	1.2	69.3
Just Dial	-1.7	31.5	-6.4
Kaveri Seed	0.0	15.8	36.9
Kitex Garm.	1.8	1.1	5.9
Manpasand	1.0	6.0	60.7
MCX	-0.4	-0.6	35.8
Monsanto	0.6	8.7	52.9
PI Inds.	2.3	4.4	58.0
Piramal Enterp.	-1.8	-0.8	98.8
SRF	-0.6	1.2	35.3
S H Kelkar	2.2	0.7	30.9
Symphony	1.1	12.5	20.6
TTK Prestige	0.1	11.3	40.5
V-Guard	-2.2	15.2	192.8
Wonderla	0.4	5.8	8.0

NOTES

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

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Piramal Enterprises



Winner's Edge

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Sector: Automobiles
CEAT



Well balanced

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Sector: Consumer Product
SH Kelkar



Adding flavor to fragrance

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MOTILAL OSWAL Initiating Coverage | 28 December 2016
Sector: Automobiles
Endurance Technologies



Gaining ground

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Sector: Technology
L&T Infotech



Proficient miner

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RBL Bank



A unique model - on a fast lane

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Sector: Utilities
CESC



Best fully integrated power DISCOM

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MOTILAL OSWAL Initiating Coverage | 8 October 2016
Sector: Consumer
United Breweries



Cheers to growth

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MOTILAL OSWAL Initiating Coverage | 24 October 2016
Sector: Healthcare
Fortis Healthcare



Fortifying growth

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

Our research team into annual report season highlights several performance highlights from Sun Pharma's 2016-17 annual report. Revenue grew by 23% to INR 2,545 crore, with gross margin expansion. Key highlights include:

- Operating cash flow and net income increased from INR 1,175 crore to INR 1,315 crore, with net income increasing by 11%.
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ANNUAL REPORT TREADBARE

The ART of Treadbare is an initiative to help investors understand the company's performance. Key highlights include:

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MOTILAL OSWAL

CornerOffice

Subscriptions with the CEO

Democratization & monetization: Look for India's largest bank

ICICI Bank is set to launch a new initiative to democratize financial services and monetize its vast customer base. Key highlights include:

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MOTILAL OSWAL

VOICES

India Inc on Call

Key highlights include:

- Operating cash flow and net income increased from INR 1,175 crore to INR 1,315 crore, with net income increasing by 11%.
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MOTILAL OSWAL

EcoKnowledge

Living into trading theory

Inventory data confirms 6.5% growth in real retail

Key highlights include:

- Operating cash flow and net income increased from INR 1,175 crore to INR 1,315 crore, with net income increasing by 11%.
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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATION HANDBOOK

Key highlights include:

- Operating cash flow and net income increased from INR 1,175 crore to INR 1,315 crore, with net income increasing by 11%.
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FUND FOLIO

Indian Mutual Fund Tracker

Key highlights include:

- Operating cash flow and net income increased from INR 1,175 crore to INR 1,315 crore, with net income increasing by 11%.
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